Speech of Shri Jagjivan Ram introducing the Railway Budget for 1961-62 on, 15th February, 1961

Mr. Speaker,

Sir, I rise to place before the House the estimates of receipts and expenditure of the Indian Railways for the year 1961-62.

Accounts of 1959-60

2. I shall first deal with the accounts of last year (1959-60). The Gross Traffic Receipts amounted to Rs. 422.33 crores a very close approximation to the Revised Estimate of Rs. 422.03 crores. The Ordinary Working Expenses were Rs. 289.52 crores, effecting a saving of Rs. 2.40 crores from the Revised Estimate of Rs. 291.92 crores. After taking into account contribution to the Depreciation Reserve Fund, net Miscellaneous Expenditure and payment of Dividend to General Revenues, the surplus for credit to the Development Fund came to Rs. 20.12 crores, as compared with the Revised Estimate figure of Rs. 14.75 crores. A more correct view to take of the surplus, however, would be that it was only about Rs. 12 crores, as payments to the extent of about Rs. 8.5 crores pertaining to 1959-60, in implementation of the Pay Commission's recommendations, are being made only in 1960-61.

Revised Estimates for 1960-61

3. The improved traffic trend under ‘Passengers', which was noticed towards the close of 1958-59 and throughout 1959-60, has continued in the current year. The Revised Estimate for Passenger Earnings has now-been placed at Rs. 130.97 crores, against Rs. 125.50 crores in the Budget. Increases of about Rs. 2 crores are also anticipated under other Coaching Earnings, based on current trends, and of Rs. 1.33 crores under 'Sundries'-the latter due largely to expansion of departmental catering. As regards `Goods', additional earnings of Rs. 41 crores over the earnings for 1959-60 had been budgetted. But the present assessment is that, for various reasons including the partial all India strike of Central Government employees in July 1960, goods earnings may amount only to about Rs. 289.5 crores, or an increase of Rs. 29 crores over 1959-60 figures. I shall presently explain in some detail the transportation aspects. In the result, the Revised Estimate of Gross Traffic Receipts is Rs. 458 crores, against the Budget Estimate of Rs. 464.50 crores, or a decrease of Rs. 6.50 crores. The shortfall under Goods Earnings has been made up partly by *the* increase in passenger and other earnings.

4. The net figure of Ordinary Working Expenses for the current year is expected to register a saving of about half a crore of rupees, from the Budget figure of Rs. 326.90. crores. This is due to sustained control over expenditure, as a result of which the expenses have been regulated from time to time with reference to the volume of traffic actually handled. It is noteworthy that the aforesaid saving is expected in spite of certain unavoidable increases in expenditure. There have been increases in the price of coal on two occasions during the year. The cost of implementing the recommendations of the Pay Commission has also increased as a result of Government's decision to make cash payments even for the period 1-7-1959 to 31-10-1959, instead of making *ex-gratia* credits to the employees Provident Fund accounts as originally contemplated; consequential payments in the shape of Government contribution to Provident Fund will add to expenditure. These changes and the increase under 'Operation-Fuel' have necessitated certain additional provision of funds under some of the Revenue Working Expenses grants, for which Supplementary Demands have been framed. But the over-all net revenue expenditure is expected to show a saving from the related aggregate grant, as already mentioned.

5. With the annual contribution to the Depreciation Reserve Fund of Rs. 45 crores and with minor variations in Miscellaneous Expenditure and in the amount of Dividend payable to General Revenues, the surplus is now expected to be Rs. 14.03 crores, against the estimate in the original budget of Rs. 18.43 crores. The reduction in the budgetted surplus is due entirely to the substantial decrease in goods earnings.

6. The Revised Estimate of net expenditure on Works, Machinery and Rolling Stock has been placed at Rs. 237.48 crores-an increase of Rs. 14.37 crores over the Budget Grant. The additional provision, which is covered by Supplementary Demands, is to meet the requirements according to the latest anticipations in regard to deliveries of materials and re-phasing of Plan works.

General appraisal of the Railways' financial results in the Second Plan

7. In addition to the above forecast of the financial results of the current year (1960-61)-the last year

of the Second Plan-I shall review broadly the trends from the commencement of the Plan. During this 5-year period, there has been a very considerable expansion in the Indian Railways, with a consequential increase in the capital-at-charge from Rs. 969 crores to Rs. 1,559 crores. The traffic carried, expressed in terms of ton miles, will be approximately 50 per cent more than the traffic carried in the final year of the First Plan. The gross earnings will have increased from Rs. 316.29 crores during the final year of the First Plan, to approximately Rs. 458 crores in the final year of the current Plan. The Railways have throughout made appropriations to the Depreciation Fund as prescribed, and have also discharged their dividend obligations in full. The surplus remaining thereafter in successive years. has been Rs. 20 crores, Rs. 13 crores, Rs. 9 crores, Rs. 20 crores and Rs. 14 crores in round figures. The surpluses have been credited in full to the Development Fund. The drawings from the Development Fund have had to be substantially more. The Railways were therefore compelled to borrow certain sums from General Revenues, to finance expenditure of a capital nature, allocable to the Development Fund, during the final three years of the current Plan.

8. The financial results-whether expressed as a percentage of working expenses to gross earnings, or as a percentage of net earnings to the capital-at-charge-deteriorated in the two years following 1956-57, but they improved substantially in 1959-60 and are anticipated to improve, though to a lesser extent, in 1960-61 also. In interpreting the aforesaid trends, it has to be appreciated that 1958-59 was a year of relatively slow growth of economic activity. This affected traffic offerings to the Railways and consequently the Railways' earnings. There are also other pertinent considerations; a noteworthy feature is that, during a developmental period involving heavy increases in capital investment, even certain completed works on which capital expenditure is booked in a -year will not be adequately remunerative until after they have been in use for some years. This applies in greater degree to works in progress at the end of a year but not brought into use yet.

There have also been significant increases in the working expenses due to reasons beyond the control of the Railways. The annual *per capita* cost of staff has been increasing steadily, as a result.of progressive improvement in the wages and other conditions of service of employees. This has risen from Rs. 1,476 in 1955-56 to Rs. 1,660 in 1959-60 and is estimated to rise further to Rs. 1,880 in 1960-61. This factor alone has been responsible for an appreciable increase in the operating expenses per unit of traffic. The price of coal, with 100 as the base at the end of 1952-53, increased from 101 at the end of 195556 to 135 at the end of 1959-60 and to 141 at the end of December, 1960. The increase in the prices of other materials consumed by the Railways is broadly reflected by the average wholesale price index. With a base of 100 for 1952-53, the index increased, from 92.5 in 195556, to 117.1 in 1959-60, and to 124.3 in 1960-61 (9 months). Even since the pre-war period *i.e.* 1938-39, the increases in the fares and freights have been much lower than the relative increases in the wage bill and in the prices of stores consumed by the Railways. Whereas the average annual cost per employee has increased, since 1938-39, by more than 200 per cent and the price of materials-as measured by the wholesale index by more than 350 per cent, passenger fares have gone up, on the average, only by about 70 per cent and freight rates by about 100 per cent, in these two decades.

I may also mention that the present, arrangement for meeting the coal requirements of the Southern Railway, partly by the rail-cum-sea route, is a step to help the public, and involves the Southern Railway in additional annual expenditure of at least Rs. 2 crores. The coal carried by the more expensive rail-cum-sea route is taken by the Railway, while the available rail capacity is utilised for the transport of public traffic, including coal which is carried at a much cheaper rate by the Railway.

9. There has been no increase in passenger fares in the recent years; and even increases in freight rates have not kept pace with the increases in cost of transport. The railway freight rates in the case of a number of essential commodities are kept, as a matter of policy, at unremunerative levels. In many more cases, the freight rates are low, from a strictly commercial viewpoint. This is done with the object of encouraging industries and promoting export. The earnings per ton mile from coal traffic 3.33 nP. on broad gauge as well as on metre gauge--do not cover the costs even on broad gauge, and are much lower than the costs on the metre gauge, the cost being roughly 80 nP. per ton mile on broad gauge and 5.79 nP. on metre gauge lines. The present freight rates are particularly uneconomical for long hauls. There are also other items of traffic of a similar nature such as, food grains and salt on broad gauge, and grains, oilseeds and ores on the metre gauge, which are being carried at freight rates less than the cost to the Railways. There is a tendency towards a progressive growth in the volume of traffic in low-rated goods, mostly industrial raw materials. Making every allowance for the consideration that some commodities are best carried by rail, while for others road transport may be suitable, the increasing preponderance of low-rated commodities assigned to the Railways calls for a detailed examination, with a view to see what adjustments are required. The Committee on Transport Policy and Co-ordination set up in this connection, under the Chairmanship of Shri K. C. Neogy, has just completed its first phase of examination and submitted its interim report.

10. As the House is aware, the withdrawals from the Development Fund in the last 3 years have been of a much higher order than the Railways' surplus, which is the only source from which the Fund is fed. Temporary loans from General Revenues have therefore been resorted to, for financing the essential expenditure chargeable to the Development Fund. The withdrawals from the Depreciation Reserve Fund have also been of a higher order than the appropriations to the Fund since 1957-58, thus drawing on the previously accumulated balances. I explained, in the course of the Budget Debates in the Parliament last year, how these heavy drawals on balances in the Funds, which had. accumulated in the earlier years, were largely inevitable during a period of heavy rehabilitation and expansion.

Railway Convention

11. The House is aware that the arrangements, for regulating the separation of Railway Finance from General Finance, adopted on the recommendation of the Railway Convention Committee, 1954, held good until 31st March, 1960. The original 5-year period, commencing from 1st April, 1955, was extended up to 31st March 1961, so that Convention periods in future may synchronise with successive Plan periods. The recommendations of the Railway Convention Committee, 1960, in respect of the next quinquennial period 1961-66, were accepted in the last Session of the Parliament. I shall, therefore, confine myself to the major aspects affecting the financial forecast for the 5-year period 1961-66, in the context of which only the budget anticipations of 1961-62 can be adequately appreciated. The rate of dividend payable by the Railways to General Revenues will be increased from 4 per cent on the capital-at-charge to 4.25 per cent. This will mean an additional annual payment of about Rs. 4 crores by the Railways to the General Revenues on the present. capital-at-charge. The annual appropriation to the Depreciation Reserve Fund, from Railway Revenues, will also be increased to an average of Rs. 70 crores per year in the quinquennium as a whole. It will be Rs. 65 crores in 1961-62 and Rs. 75 crores in 1965-66. It is expected that this will suffice to finance replacements and improve the balance in the Depreciation Reserve Fund from about Rs. 14 crores at the end of the Second Plan, to about Rs. 34 crores at the end of the Third Plan. It is considered that it is sufficient at present to provide what is roughly the estimated cost of replacement. of assets in the next quinquennial period.

Other principles which had been adopted on the recommendations of the earlier Railway Convention Committees 1949 and 1954, have either been retained or have been underlined further. The most significant of these is the retention of the present scope of the Development Fund. It has also been agreed to continue the provision for financing expenditure chargeable to the Fund, through temporary loans. from General Revenues, whenever the net surplus is not sufficient to meet the commitments to the Fund.

12. It has further been decided, accepting the recommendation of the Railway Convention Committee, that the passenger tax will be merged in passenger fares from lst April 1961; but instead the Railways will pay to the General Revenues, for distribution to the States, a fixed amount of Rs. 12.5 crores per annum. This amount is based on the average annual collections of the tax in the two complete years 1958-60 following the introduction of the tax in September 1957. The change will considerably simplify the existing arrangements for the separate collection and accountal of the tax proceeds and thus save the expenditure thereon.

Transport performance

13. 1 shall now refer to the transport performance of the Railways. In the current year, from April to December 1960, approximately 108 million tons of goods were loaded, against approximately 101 million tons in the same period of last year, an increase of about 7 million tons. Having regard to this trend and after making due allowance for special factors, it is estimated that an additional 10 million tons of freight approximately will have been lifted by the end of the current financial year. This is over the last year's figure of 144.2 million tons, which itself was a close approximation to the anticipation mentioned last year of 145 million tons of freight. The fact that the amount of additional traffic now expected to be carried in 1960-61 falls short of the Budget anticipation of 17 million tons of additional freight, has to be viewed in the light of several factors. These include the partial strike of the Central Government employees in July 1960, involving a loss of about 3 million tons of originating traffic-the quantity usually lifted in a week. This could not be made up later, particularly due to the widespread floods on different Railways in the following months.

The House may recall that the months of July to November 1960 witnessed floods and breaches fraught with more adverse consequences than usual at certain places, as in the East Coast areas of Andhra and Madras States in November, or occurring in areas where such happenings are infrequent as in Punjab. Following the dislocation in Saurashtra region in July, breaches of a more serious nature than usual occurred twice on the East Coast section of the Southeastern Railway. On the Northern Railway, there were

breaches due to heavy floods in Rohtak and other regions of Punjab, Hanumangarh-Suratgarh and Hanumangarh-Sadulpur areas in Rajasthan and several places in Uttar Pradesh, to mention only some of the areas affected. It has also to be appreciated that the actual distribution of commodities and the pattern of movements as materialising have not been in keeping with the pattern originally planned, resulting in additional workload on the Railways. Workload has to be judged not so much by the tonnage lifted as by the ton-miles moved. This workload has been successfully faced. In fact, the performance on this basis is nearly 6 per cent higher than the original plan for 1960-61 in terms of ton-miles.

14. About 5116 broad-gauge wagons were loaded with coal daily during the year 1959-60, as compared to 4974 wagons in the previous year-an increase of 2.85 per cent. In West Bengal and Bihar Coalfields, 4047 wagons were loaded daily during 1959-60, against 3959 wagons during the preceding year-an increase of 2.22 per cent. The special steps taken to meet the increased demand for coal traffic for steel plants and other important industries and consumers have resulted in a further increase in overall coal-loading by 10 per cent during April to December, 1960, over the loading in the corresponding period of the previous year. In West Bengal and Bihar coalfields alone, the rise has been of the order of 9.6 per cent.

15. There has been a steady increase in the daily average loading of general goods and coal. During 1959-60, the daily average number of wagons loaded was 16130 and 9520 for broad gauge and metre gauge respectively, against 15152 and 9053 in 1958-59 an increase of 6.45 and 5.16 per cent respectively on the two gauges. During April to December 1960-that is, the first 9 months of 1960-61 the figures were 16464 and 9414 on broad and metre gauge respectively, against 15645 and 9019 in the corresponding period of 1959-60 an increase of 5.23 and 4.38 per cent respectively on the two gauges, despite the dislocations referred to earlier. The outstanding registrations, however, are still high, due to the fact that the heavy arrears of loading resulting from the strike prevented the railways from liquidating accumulated registrations during what otherwise would have been a slack period as' in normal years. Apart from the usual heavy increase in demand for rail transport in the last quarter of every financial year, the end of the Second Plan period is also witnessing a fast tempo of activities in all sectors of industry and economy.

16. Transhipment from broad-gauge to metre-gauge showed an overall increase of 7.8 per cent during the year 1959-60, over the previous year's performance. During the period April to December, 1960, about 1374 wagons were transhipped daily, against 1295 wagons during the corresponding period of the last year-an increase of 6 per cent. Sabarmati and Viramgam maintained a free flow of traffic. At Viramgam, about 136 wagons (B.G.) were transhipped daily during the period April to December 1960, against 121 wagons during the corresponding, period of the last year. At Ghorpuri, 94 broad-gauge wagons were transhipped daily during the current year up to December, 1960, against 78 in the previous year. The performance at Garhara, which has acquired a special importance after the opening of Rajendra Pul, has also been satisfactory during the period April to December 1960; about 207 broad-gauge wagons were transhipped daily at this point, as compared to 127 wagons in.the same period of the previous year.

Movement *via* important junctions has been maintained at a satisfactory level. Traffic via Mogbalsarai was of the same order as in the previous year, despite the handicaps of the current year.

17. Wagon miles per wagon day on broad-gauge rose from 45.6 miles in 1958-59, to 47.6 miles in 1959-60. The net ton miles per wagon day on B.G. during 1959-60 was 593, against 573 of the previous year. On the M.G. also, there has been an improvement in both these indices; wagon miles per wagon day increased from 28.8 in 1958-59 to 30.3 in 1959-60, while net ton miles per wagon day increased from 211 in 195859 to 230 during 1959-60.

The overall average speeds of goods trains improved from 9.42 on broad-gauge and 8.07 on metre gauge, in 1958-59; to 10 and 8.49 respectively in 1959-60. This represents an improvement of 6.16 per cent. on broad-gauge and 5.20 per cent on metre gauge. In the first 8 months of the current, year, there has been a further improvement, in that the speeds were 10 and 8.62 on the two gauges, against 9.84 and 8.26 respectively in the corresponding period of 1959-60.

18. All this has been possible through concerted and special measures by utilising all available resourges, by continued supervision of important junctions and difficult routes, and by execution of line capacity works, wherever necessary, to deal with the volume of traffic offering. The Railways have made use of every wagon which can at all be kept, in service after essential reconditioning, even by deferring periodic overhauls by a few months. Wagon-chasing has been intensified Crackspecials, express goods trains, etc., have been introduced in increasing numbers on all the Railways. In the matter of operational efficiency and utilisation of rolling-stock generally, the Indian Railways compare favourably with the major Railway systems of the World.

While on the subject of Operation, I may mention that a Review of performance and expenditure is being circulated this year also with the Budget papers, incorporating a number of new features in addition to those included in the last year's Review.

Review of the Railways' Second Five Year Plan

19. It would be appropriate at this stage to review briefly the implementation of the Railways' Second Five Year Plan.

20. It is a fact not readily appreciated that the Railway Plan and its progress are linked with the developments in the industrial sector. The Second Plan provided, in continuation of the First Plan, for the replacement of assets which were in arrears for over a decade. It also provided for an increase in passenger traffic by 15 per cent by the end of the Plan period, and for specific increases in freight traffic for the three basic industries, viz. coal, steel and cement and a small increase in other miscellaneous goods traffic.

Passenger traffic is likely to exceed the Second Plan target of 15 per cent increase. The increase is expected to be of the order of 25 per cent.

When the Plan was formulated in 1956, it was realised that, within the resources made available for the Railways, the target of originating, goods traffic could only be 162 million tons on certain anticipations of distances over which the principal categories of goods would be moved. In regard to traffic for the steel industry, in particular, the estimate was based on point to point movements of raw materials like coal, ore, limestone, dolomite etc. But the distribution of commodities and the pattern of movements, which the Railways have actually been called upon to handle, vary considerably from what was planned. The Railways now expect to carry about 13.5 million tons less traffic for the steel plants, against which there will be a reduction of 2,000 million ton miles as compared to the original Plan. In respect of coal for users other than steel plants, however, the Railways now expect to handle 4 million tons more, involving an additional 4,000 million ton miles. In these two categories alone, therefore, there will be an increase of about 2,000 million ton miles despite a drop in originating tonnage by 9.5 million tons. Under cement and miscellaneous goods together, the Railways will carry about 1.5 million tons more, with an increase of about 1,000 million ton miles.

21. In the result, the net ton miles, which is the recognised and correct index of transport performance, will increase from 36,000 millions, at the beginning of the Second Plan, to 54.000 millions at the end of the Plan. This is an increase of about 50 per cent even though, in terms of total originating traffic, the Railways will lift 8 millionn tons less than the target of 162 millions; part of the decrease in tonnage lifted his been due to uncontrollable factors already referred to. This increase of 50 per cent in ton miles has been handled with additions only of 29 per cent and 26 per cent in the wagon holdings and in tractive effort of locomotives respectively. This reflects the increasing operational efficiency of the Railways.

22. The allotment made to the Railways for the Second Plan was Rs. 1,121.5 crores, inclusive of a provision up to Rs. 15 crores to be made available to Posts and Telegraphs and Power supply authorities in connection with the Railway Electrification Projects. The Railways spent about Rs. 855 crores in the first four years of the Plan, representing 76 per cent of the total allocation, and expect to spend practically the entire balance in the current year. The total foreign exchange expenditure in the Second Plan, it is expected, will be limited to about Rs. 332 crores, against an original provision of Rs. 425 crores-later revised to Rs. 385 crores. The saving is due largely to significant developments in the manufacture of railway equipment in India.

23. The Railways, in their endeavour to achieve the physical targets of the Second Plan, have had to accommodate the increasing costs of labour and material within the Plan provision. At the same time, adjustments have had to be made, to fit in with the varying patterns of traffic. The Railways have by and large kept pace with the requirements. The contribution of the Railways towards the resources of the Plan has been substantial. The Railways will make a gross contribution of about Rs. 480 crores, covering expenditure on open line works revenue and on expenditure chargeable to the Depreciation Reserve Fund and Development Fund.

24. The target of 800 miles for the construction of new lines in the Second Plan will be fully reached. This represents mainly the requirements of the Steel and Coal Industries and the operational requirements of the Railways themselves. Some of the important New lines constructed to serve the industrial and mining areas are the Chandrapura-Muri-Ranchi, the Bondamunda-Dumaro and the BarabilPanposh Gorge lines, aggregating 132 miles. Two other new linesthe Ranchi-Hatia and the Baoridand-Karonji line in the C.I. Coalfields -are nearing completion. Work on the line from Hatia to Nawagaon, which will connect the Bokaro

area with Rourkela *via* Ranchi, is in progress. A significant achievement was the recent opening of the 187 mile Khandwa-Hingoli Metre Gauge line, which links the Northern and Southern Metre Gauge systems.

The Second Plan new lines under construction are BondamundaNawagaon-Purnapani, Baraset-Hasanabad, Bukhtiarpur-Rajgir, Robertsganj-Garhwa Road, Ghaziabad-Tughlakabad including second Yamuna Bridge, Rangapara-North-Lakhimpur, sidings to Korea coalfields, Champa-Korba extension, Sambalpur-Titilagarh and Bimlagarh-Kiriburu. These aggregate to 478 miles. Preliminary action has been taken in hand in respect of some of the Third Plan works also, namely- HatiaNawagaon, Bailadilla-Kottavalasa, Madhopur-Kathua and Udaipur Himmatnagar lines, totalling nearly 540 miles. Final locations of DivaPanvel-Uran, Guna-Shahjapur-Maksi, Delhi avoiding Lines-cum-Ring Railway, Hindumalkot-Sriganganagar and Jhund-Kandla lines are in progress.

A Broad gauge line to Siliguri *via* Tildanga-Farakka and a ferry to Khejuria and onwards via Malda will soon be ready. This involves conversion of the 87 miles Metre Gauge lines to Broad Gauge on the Kumedpur-Barsoi and Katihar-Singhabad Sections. The conversion of the Gudivada-Bhimavaram and Vijayawada-Masulipatam Metre Gauge sections to Broad Gauge and the laying of a 16-mile Broad Gauge track between Guntur and Tadepalli are well in hand.

A reconnaissance survey to determine the traffic prospects of an extension of the Madhopur-Kathua line to Jammu, is in hand. Preliminary engineering and traffic survey of a line to join the Singrauli coalfields to the Robertsganj-Garhwa Road line, has also been taken up; a survey of new lines in connection with the development of the Singrauli coalfields will be done in 1961-62.

As the House is aware, the three new lines under construction, namely, Bimlagarh-Kiriburu, Sambalpur-Titilagarh and Bailadilla-Kottavalasa-the last one being really a Third Plan work (309 miles) taken in hand in advance are required for the export of iron ore to Japan via Visakhapatnam Port. These lines have to be completed within a tight time-schedule. Because of both the urgency and the technical complexity of the task, involving construction through extremely difficult terrain, a separate Administration under the charge of a General Manager has been set up.

25. Doubling of track over 800 miles is expected to be completed, and substantial progress has been made on another 500 miles. Several large new yards, involving some 200 miles of track, to serve the steel plants and coalfields, have been brought into commission. Works for increasing the capacity of various sections have been completed.

26. Against an electrification programme for over 1,400 miles which had been drawn up, about 500 miles in the Eastern region, on routes serving the coal and steel belts, will be substantially completed in the Second Plan. The sections Rajkharswan-Dangoaposi and Asansol-Gomoh have already been commissioned. The sections Durgapur-Asansol, Gomoh-Gaya and Asansol-Sini-Tatanagar-Rourkela are expected to be commissioned in stages by June, 1961, according to the present expectations of completion of the complementary works to be done by the Posts and Telegraphs Department and the Power Supply Authorities. The works on the electrification of the sections, Gaya-Moghalsarai and Tatanagar-Khargpur are also progressing.

As regards the remaining sections, Civil Engineering works are in progress on Sealdah-Ranaghat, Dum Dum-Bongaon and Sealdah South Sections. Tenders have also been invited for erection of overhead equipment for the former two. On the Igatpuri-Bhusaval section, Civil Engineering survey work has been completed. The work on MadrasTambaram-Villupuram section will be speeded up, now that a decision has been taken to electrify this section on the 25 KV AC system forwhich technical details are being finalised.

27. Bridges over the Ganga and the Gandak, as the House is aware, have been completed the former well ahead of schedule thus facilitating communications across these rivers. The work on the bridge across the Brahmaputra, which will improve the communications with, and in, the Assam region, is proceeding vigorously. The bridge is likely to be completed in 1962 as programmed.

28. About 8,000 miles were programmed for track renewal in the Second Plan period. There may be only a relatively small shortfall in this programme. The delay has occurred due mainly to difficulties in the availability of indigenous track materials; these have had to bemade good by import of rails which has taken a longer period.

29. The Rolling Stock fleet has been augmented by some 2100 locomotives, about 8500 coaches and about one lakh of wagons. There will be a shortfall of about 8,000 wagons from the Plan target, due to - difficulties in the import of matching steel which it has not been possible to fully make up yet. By recourse to

other measures, the effective availability of wagons has been increased, and the target of transport performance has been largely maintained.

Before concluding this review of the Railways' implementation of the Second Plan, I must make mention again of the Railways' dual role as a public utility service and as a commercial enterprise to which I have often referred. The Railways are making an increasing and substantial contribution of an indirect nature in their role as a publicutility service. The financial benefit to the nation in the freight bill is only one item of such indirect contribution. In the matter of employment potential, it should be appreciated that large numbers of persons are employed by contractors performing Railway work and by the numerous manufacturers of various types of railway equipmentAll these do not figure at present in official statistics. If they are added up, the contribution of the Railways in this respect also is of a large magnitude.

Tentative outline of the Railways' Third Five Year Plan

30. The tentative allocation for the Railways' Third Five Year Plan is Rs. 1,255 crores, including Rs. 35 crores for inventories. This is& based on an increase in originating traffic from 154 million tons to 235 million tons, but does not include certain projects under consideration which were not originally indicated to the Railways. Even for this increase in tonnage, the work load for the Railways, which is correctly expressed in ton miles, is expected to increase by 72 per cent. The Planning Commission is considering the question of increasing the allocation, to cover the revision in transport targets and the addition of projects as referred to. Of the anticipated increase in goods traffic during the Third Plan, more than 75 per cent is accounted for by the targets fixed for industrial. production of coal, steel, cement, and iron ore. All these, except perhaps for a small portion of cement and coal, have to move by rail. An increase in passenger traffic is provided for to the extent of 15 per cent only, as was provided in the Second Plan.

31. The Railways have been set the task of carrying an increase in traffic from 54,000 million ton miles to 93,000 million ton miles or about 39,000 million ton miles more annually, which is more than double the increase that was achieved in the Second Plan. For this, the tentative allocation given is Rs. 1,255 crores, against the Second Plan provision of Rs. 1,121.5 crores. The investment on rolling stock and line capacity works is being planned keeping in view measures of operational improvement which are progressively in hand. The latter include the acquiring of 70 per cent of the additional requirements of motive power in the shape of diesel and electric locomotives, running heavy coal trains with bogie wagons, etc: The implementation of the Railways' Third Plan is expected to result in the acquiring of about 1,700 locomotives, 7,800 coaching vehicles and 1,10,000 wagons-including replacement requirements. Double tracking of about 1600 miles is envisaged, also remodelling of yards, opening of new crossing stations, provision of additional loops, etc. There is also provision for centralised Traffic Control on the Siliguri-Amingaon section of the Northeast Frontier Railway. This system will be extended to other sections as conditions warrant.

Of the 1100 miles expected to be electrified during the Third Plan, the sections carried over from the Second Plan will be assigned priority. Thereafter, electrification will be expanded to meet the increasing density of traffic on important routes. As regards arrears in track renewal, it is programmed to overtake them fully by the end of the Third Plan. In the matter of construction of new lines, the Planning Commission have so far allotted Rs. 120 crores. This will provide for approximately 1160 miles, representing lines essentially required either in connection with the Railways' operational needs or in connection with the development of industries and mineral resources. The latter include 200 miles for development of new coal fields and about 50 miles for a new line to serve the proposed port at Haldia. The provision for new lines is being reviewed in consultation with the Planning Commission. I am hopeful that it will be found possible to make a further allocation of funds, to meet the demands for new lines to be constructed on grounds of political, social and economic development in certain areas, more particularly in the South.

Before concluding this brief outline of the Railways' tentative Third Plan, I must dispel a misconception which exists, even in some wellinformed quarters, that the 'task set for the Railways is that they must move *all* traffic freely. Actually each Plan only assigns a specific task in transport. Though the Railways have reasonably fulfilled their assigned task in the Second Plan period, the requirements have exceeded Plan anticipations. It is evident that there is need for still greater expansion and development of the Railways requiring additional resources. It follows that there must be priorities in movement so long as there are limitations of resources. For instance, coal meant for brick burning purposes has only a low priority in the matter of movement. There are also other similar items about which I need not dilate.

External Assistance

32. In my Budget Speech last year, I made mention of the 50 million dollar loan obtained from the World Bank for the Indian Railways. This loan has been fully drawn. In July last, a further loan of 70 million

dollars was obtained from the World Bank. In addition, the Development Loan Fund Authorities in United States also agreed to give a loan of 50 million dollars, of which 10 million dollars represent the balance amount of an earlier loan. I gratefully acknowledge all this assistance.

Budget Estimates, 1961-62

33. The basis for the Budget Estimates of 1961-62 is provided by the tentative financial forecast for the next quinquennial period 1961-66 considered by the Railway Convention Committee, 1960, and modified with reference to the accepted recommendations of the Committee.

34. Goods earnings for 1961-62 have been budgetted on an anticipated additional traffic of about 15 million tons over 1960-61. This has been done keeping in view a total increase of about 90 million tons in the Third Plan period as a whole, but allowing at the same time for the heavier preponderance of low-rated traffic expected to be carried in the Third Plan which will have the effect of increasing the proportion of working expenses to gross earnings. With a small increase provided under passenger traffic and taking the effect of the merger of passenger tax, the gross traffic receipts are expected to be about Rs. 499 crores$_s$. After the merger of passenger tax in passenger fares, a payment of Rs. 12.5 crores per annum in lieu will have to be made to the General Revenues. Allowing for. this, the gross traffic receipts would be Rs. 486.5 crores in effect, against Rs. 458 crores anticipated in the Revised Estimates of the current year, or an effective increase of Rs. 28.5 crores. There will be no revision of passenger fares, nor will there be any revision of freight rates generally. But the special surcharge at present levied on Smalls conignments of goods will be raised from 10 per cent to 20 per cent, primarily to further discourage the movements of such consignments by rail, which involve disproportionately, greater cost on account of poor loadability and the additional attention and care required in transit. This will be only a minor adjustment, which will not bring any appreciable additional revenue. Even if the Railways do not get relief by diversion of such consignments to the road, the receipts expected will more nearly cover the costs than at present. The additional revenue anticipated from this is about Rs. 50 lakhs per year. For similar reason, it has been decided that the minimum distance charged for coal will be the charge for 70 kilometers, instead of 42 kilometers as at present. Coal moving for shorter distances will be charged at a minimum of Rs. 5 per tonne, instead of Rs. 4.25 nP. to Rs. 4-98 nP. as, at present. The additional revenue expected from this minor adjustment will be quite small.

35. Turning to the estimate of Ordinary Working Expenses for 1961-62, the net provision of Rs. 332.53 crores is Rs. 6.22 crores more than the revised estimate of Rs. 326.31 crores for the current year. Allowing for a decrease of Rs. 8.5 crores, representing Pay Commission arrears to staff for 1959-60 paid in 1960-61, which will not recur in 1961-62, the anticipated increase in ordinary Working Expenses in 1961-62, over 1960-61, would be Rs. 14.72 crores. This increase, however, includes Rs. 2 crores for the assumption by the Railways of Common Carrier Liability, which is now expected in the course of 1961-62 after the necessary legislation is enacted. It further includes about Rs. 2 crores for anticipated increase in prices of materials, on present trends, covering also a full year's effect of those increases in coal prices which have operated over only part of 1960-61. The effective increase in Working Expenses anticipated, on account of additional traffic expected to secure Rs. 28.5 crores more as Earnings, will thus be about Rs. 10.72 crores.

36. The excess of gross traffic receipts over working expenses anticipated in 1961-62 is Rs. 166.49 crores, against Rs. 131.69 crores in the Revised Estimates for 1960-61. But against the increase in the above figure, is the liability to pay Rs. 12.5 crores to General Revenues, for transfer to the States, in lieu of passenger tax. Allowing for this, the comparison is between Rs. 154 crores approximately in 1961-62 and Rs. 131.7 crores approximately in 1960-61. There are, however, two important recommendations of the Railway Convention Committee 1960, which have to be taken into account before the net surplus of 1961-62 can be determined on a basis comparable with that of 1960-61. The appropriation to the Depreciation Reserve Fund from Railway Revenues will increase, from Rs. 45 crores in 1960-61, to Rs. 65 crores in 1961-62. The rate of dividend payable to the General Revenues will increase from 4 to 4.25 per cent which alone, on the present capital-at-charge, will involve an increased payment of about Rs. 4 crores. Taking into account also the increase in the capital-at-charge between 1960-61 and 1961-62, the dividend payment will increase by about Rs. 8.7 crores.

In the result, after making the increased appropriation to the Depreciation Reserve Fund and after making payment to the General Revenues of the fixed amount of Rs. 12.5 crores, for transfer to the States, as well as the increased amount of the dividend, the budgetted surplus for 1961-62 is Rs. 8.64 crores. It will be appreciated that, even after making the increased appropriation to the Depreciation Fund, the surplus would still have been about Rs. 12.5 crores but for the increase in the rate of dividend.

37. The Budget Estimate for Works, Machinery and Rolling Stock, including Open Line Works

Revenue, has been placed at Rs. 260 crores, or roughly a fifth of the Third Plan provision for the Railways. This provides for about Rs. 3 crores as usual for Railway Users' amenities and about Rs. 10 crores for staff amenities and staff quarters. The details of the provision of Rs. 260 crores are given in the relevant portions of the Explanatory Memorandum on the Budget.

Fuel Consumption

38, There has been a large increase in our fuel bill, as a result of successive increases in the price of coal. The increasing quantities of lower grade coal supplied to the Railways have further aggravated the position and made this matter of adequate supply of coal of satisfactory quality--one of continuing importance for the Railways and the Ministry of Steel, Mines & Fuel. The quality of coal also affects train operation with repercussions on the punctuality of passenger trains and the transport of goods. As a check on quality, a system of inspection before despatch has been instituted by the Railways--starting with the public sector collieries in the Karanpura and Bokaro coalfields. Also, procurement of coal will be done under contracts to be entered into direct by the Ministry of Railways with Collieries, which will enable suitable price reductions being readily made in the event of supply being of a lower grade. The question of setting up non-coking coal washeries, to ensure a consistent quality of coal to the Railways, is being pursued with the Ministry of Steel, Mines and Fuel. In the meantime, the Railways continue to take suitable internal measures to effect fuel economy. These include a judicious distribution of available coal, close watch by local Fuel Economy Committees, revision of trip rations on the basis of coal trials conducted from time to time, and the conducting of experiments to adopt parallel burning of coal with furnace oil particularly for working increased loads over difficult sections, etc.

Indigenous Manufacture and Self-Sufficiency

39. The House is aware of the steady pursuit of the policy of indigenous production of Rolling Stock and other Railway equipment. The progress made is reflected by the reduction in the foreign exchange expenditure in the Railways' Second Plan, from Rs. 425 crores to Rs. 332 crores, which I referred to earlier. Even more striking is the fact that the foreign exchange content of the Railways' Third Plan is expected to be only about Rs. 186 crores. The Development Cell of the Railway Board continues to function in close liaison with the Development Wing of the Commerce & Industry Ministry. During the current year, indigenous capacity for the manufacture of several new items, including Centre Buffer Couplers and Brake Regulators, was established. The manufacture of steel fire boxes for loco boilers, mechanical handling equipment, mechanical stokers, superheater elements and vacuum operating gear for turn-tables, is being undertaken in the country. With the self-sufficiency achieved in the indigenous production of mechanical signalling equipment, the manufacture of electric signalling equipment has been started. The design and manufacture of a Motor Trolly, at a cost of about half the imported cost, have been taken up.

40. The Chittaranjan Locomotive Works produced 173 Broad-Gauge steam locomotives in 1959-60 and are expected to produce 164 locomotives in the current year and the same number in the next year. The small reduction in out-tum is due to the initial adjustments necessitated by the undertaking of the manufacture of Electric Locomotives as well. The additional capacity, which is being developed in the Works, is designed for building approximately 60 electric locomotives per year. The mechanical portion of these will be fully manufactured in Chittaranjan; the electrical equipment will be ultimately manufactured and supplied by "Heavy Electricals", Bhopal. The anticipated outturn of such electric locomotives in 1961-62 is 20. Work is progressing also on the Steel Foundry at Chittaranjan, of which I made mention in my last Budget Speech-with 7,000 ton capacity, but with scope for expansion to 10,000 tons per annum.

41. TELCO delivered 105 locomotives in 1959-60. 100 are expected to be received in the current year, and 25 in the two months of next year up to 31st May, 1961, *i.e.* up to the end of the present. 16-year agreement with Messrs. TELCO. In view of the continuing requirement of Metre Gauge steam locomotives, even allowing for some tapering off as a result of dieselisation of some sections, it has been decided to continue to avail of the capacity built up in TELCO. An order has accordingly been placed on them for 325 Metre Gauge locomotives, to be supplied in the period from 1st June 1961 to 31st March 1966, which will more or less cover the Third Five Year Plan. The price of a locomotive delivered by TELCO in the period 1958-60 (for a lot of 200) wass fixed by an independent Arbitrator at Rs. 3,80,917 per unit. The price for deliveries in the period 1-4-1960 to 31-5-1961, under the present contract, will be Rs. 3,78,526. The price for the post-contractual supply of 325 locomotives in 5 years will be Rs. 3,80,750, which is less, than the price awarded by the Arbitrator.

42. The Integral Coach Factory, which turned out 448 coaches in 1959-60, is expected to produce 620 coaches in 1960-61 and 650 coaches in 1961-62, as a result of progressively increasing second shift operation. The permanent furnishing unit attached to the factory is expected to be completed by the middle

of 1962, with a planned capacity for furnishing. about 400 coaches per year on single shift working. There is also a programme of diversifying the production in the Integral Coach Factory during the Third Plan, by assigning to it the production of Metre Gauge integral third class coaches, motor and parcel vans, Broad-Gauge Electric Multiple Unit coaches, and Rail-Cars of all gauges. The production of coaches in the Integral Coach Factory and in the Hindustan Aircraft will naturally result in tapering off of coach building in the Railway Workshops. The capacity released will be utilised progressively for additional items of production which are being planned. Capacity for the production of six electric multiple unit coaches per month has been established in Jessop's Factory at Calcutta:

43. For the manufacture of diesel locos, it has been decided, on fur ther consideration, to set up a new manufacturing unit in the public sector. The detailed project report is under preparation.

44. Wagon building capacity in the country is progressively increasing, with new firms coming into the field. A further land mark has been reached in that, for the first time, the wagon procurement for 1961-62 programme is being made on competitive tenders.

45. The prospect of Indian Railways entering the export market for Rolling Stock-which I indicated in my last Budget Speech--has taken more concrete shape. We have been able to quote, through the agency of the Special Export Promotion Cell of the State Trading Corporation, competitive prices for I.C.F. built coaches, in response to global tender .enquiries issued by the Pakistan Railways and by the Argentine Government Railways. The prices quoted by us are the lowest-taking the quotations for broad-gauge and metre gauge coaches together-in response to the Pakistan Railways' global tender and second lowest in response to Argentine Railways' tender. Even though the final outcome is not known, I am sure that the House will agree that we have taken a. big step forward.

Research, Designs and Standards Organisation

46. At the sixth session of the Railway Sub-Committee meeting of ECAFE in West Pakistan, the Indian delegation led by the Chairman. of the Railway Board aroused considerable interest on the part of even the more advanced countries in regard to the rapid strides made by theIndian Railways in research, design and development. The visit of , foreign Railway experts organised by ECAFE in November last, for an on-the-spot study of the Brahmaputra Bridge Construction, which involves several unique features, is an indication of the recognition of the Indian Railways' advances in the technical field.

47. The Railway Research, Designs and Standards Organisation is, increasingly assuming the role of a consultant for all Rolling Stock users in the country. The Central Board of Railway Research, which consists of eminent scientists, engineers and industrialists of the country, has been set up, to advise on the programme of research and development of the Railways' Organisation and to ensure co-ordination and co-opera tion.with other sister institutions and manufacturers. Its inaugural session was held in August 1960. At this session, it set up three Sub-Committees, to deal with the different fields of civil engineering and building research, mechanical and electrical research, and metallurgical and chemical research. A Directorate of Bridges and Floods has also been set up, as recommended by the Committee of Engineers presided over by Dr. A. N. Khosla. This organisation is collecting and analysing a large volume of hydrological, meteorological and topographical data from Railways and other institutions in the country and information regarding the practices obtaining in other countries. For the purpose of these studies, a number of Railway bridges will be put under observation.

48. The present standard of 90 pound rails for broad gauge main line will be inadequate for carrying the heavy traffic expected hereafter. A heavier 105 pounds rail has therefore been evolved. Welded rail panels up to 210 feet length have also been introduced; this will make for smoother and less noisy running and will also economise in the maintenance cost by diminishing the wear and tear to which the rails and rolling stock are subjected. Trials are in progress with half-amile long rails welded with indigenous materials. As a measure for effecting economy and conserving steel, nearly 24,000 feet of bridging has been done on pre-stressed concrete girders.

49. A D.C. Electric Locomotive of 3600 HP has been designed entirely as an indigenous effort. Ten such locomotives are under manufacture in Chittaranjan, the delivery of which will commence in a few months; only the electrical equipment for these has had to be imported. Seven proto-type Diesel Locomotives incorporating the "Surf Transmission", which has been mentioned on the floor of the House before, are under manufacture in West Germany. Test results of the first two complete units are reported as indicating close approximation to the expected performance. The first locomotive is being shipped to India, after a proto-type built to the standard gauge of Germany had been operated successfully for more than a month.

50. In addition to the design of two and three tier sleeper coaches applicable both to wooden bodies and integral type, the design of a general purpose wagon has been finalised, after extensive tests for strength, safety and stability. The design of a high capacity petrol tank wagon for the metre gauge, proposed to be used for the refineries in Gauhati and Barauni, has also been completed. The metallurgical section is developing spheroidal graphite cast iron for carriages and wagons. This will replace the non-ferrous bearings and effect saving in the import of virgin metals, such as copper and tin which are now used in the manufacture of the bearings.

Production Cell

51. Further progress has been made by the Production Directorate set up in the Railway Board's Office in improving the productivity in Railway Workshops. Production Control Organisations an essential prerequisite to the introduction of the system of payment by results are being developed in all the major workshops, and officers and staff to man these organisations are being trained. Method-study and work-measurement are in hand. For manufacturing operations, the pattern at Chittaranjan is the guiding factor. In regard to repair operations, collection of data for laying down the norms, is in progress. In the Integral Coach Factory, the incentive scheme which was introduced last year in one section has been introduced in other sections as well. It is proposed to gradually bring the entire factory under this scheme. A successful beginning has also been made in the introduction of incentive schemes in a few other Railway Workshops. I have already referred to additional items of production which are being gradually planned for execution in workshops. Such expansion in production will be facilitated progressively also by the additional capacity generated through the introduction of incentive schemes.

Railway Freight Concessions to Export Traffic

52. The concession of reduction in railway freight rates is being extended where necessary, as in the past year, as part of the efforts to step up exports. As the House is aware, a standing inter-ministerial Committee, consisting of officers of the Railway, Commerce and Industry and Finance Ministries and of the Planning Commission, was set up to consider proposals in this connection from time to time. A number of proposals, including those made on the basis of requests from Trade, were considered by this Committee, and concessions were given to 13 additional items. This has raised the total number of such commodities to 38. As mentioned in my last Budget Speech, export traffic, which was upgraded to item (D) of the Preferential Traffic Schedule with a view to its expeditious clearance, continues to receive careful and sustained watch. Ore traffic for export, which was originally excluded from higher priority, has also since been upgraded toitem (D).

Amenities for Railway Users

53. The House is aware that sustained efforts have been made in the last few years to make travel increasingly comfortable, keeping in view particularly the needs of Third Class Passengers. The allocation of Rs. 15 crores provided for Railway Users' amenities in the Second Plan is expected to be fully utilised. The problem of overcrowding isbeing tackled resolutely within the available resources. The Railway Administrations have spared no efforts in the matter of augmenting passenger transport capacity, by keeping older coaches in service with intensive repairs, strengthening passenger trains, and introducing new passenger trains to the extent possible.

54. During 1959-60, 192 new trains were introduced-165 on the broad gauge, 25 on the metre-gauge and 2 on the narrow-gauge; the run of 124 trains was extended-93 on the broad-gauge and 31 on the metre gauge. The consequential increases in the daily passenger train mileage were 9,814 on the broad-gauge, 2,932 on the metre-gauge and 64 on the narrow-gauge. During the current year, up to 1st December, 1960, 76 new trains were introduced-58 on the broad-gauge and 18 on the metre-gauge; the run of 56 trains was extended-42 on the broadgauge and 14 on the metre-gauge. The resultant increases, in the daily passenger train mileages, were 4,620 on the. broad-gauge and 1,701 on the metre-gauge. The seat-miles operated in 1959-60--excluding suburban electric multiple unit services-exceeded the 1955-56 figures by 11.3 per cent on broad gauge and 9.6 per cent on the metre gauge; it is estimated that there has been a further small increase of about 1 per cent in the current year.

A weekly Janata Express train was introduced from 1-4-1960 between Hardwar and Varanasi. From 1-10-1960, a bi-weekly Janata Express train was introduced between Bombay (V.T.) and Howrah via Allahabad and Patna. The runs of weekly Janata Expresses between Howrah / Varanasi and Hardwar were extended to Dehra Dun. The frequency of Janata trains running between Delhi and Ahmedabad was increased from tri-weekly to daily.

55. The facility of providing 3-tier sleeper coaches with equal number of berths and seats, in the Third Class, has been extended to the metre-gauge on trains having runs of over 450 kilometers.

It has been decided to put two tier sitting-cum-sleeper coaches both on the broad-gauge and the metre-gauge, side by side with the three tier coaches, for the use of passengers desiring a greater degree of comfort, on payment of a surcharge.

Instructions have been issued to the Railways, to provide additional fans in the First Class coaches, so that one fan per berth is available in each compartment. This work is expected to be completed before the ensuing summer season.

56. In pursuance of the accepted policy of electrifying as many stations as possible, where power is available at reasonable rates or is likely to be available, 779 stations were electrified in the first four years of the Second Plan as a whole. About 380 more stations are expected to be electrified during the current year.

57. Improving the quality of service provided by the Railways has been receiving continued attention. More out-agencies and city booking agencies have been opened, street collection and delivery services have been introduced in bigger towns and cities, quick transit and express goods services have been expanded and reduction made in the minimum weight for charge in the case of certain commodities. All these measures have been generally well received by Trade.

Accidents

58. Except for the tragedy that occurred near Mathura in July 1960, involving passengers who were travelling on the roof of a train, there bas been no major accident in the current year.

A comprehensive Review of Accidents for the year 1959-60 has been placed on the Table of the House along with the Budget papers. This follows the pattern of the review submitted with the last year's Budget documents. The Review furnishes a detailed statistical analysis of the various accidents and of the preventive measures adopted by the Railway Administration. From the point of view of overall statistics, including all minor accidents, the Honourable Members, will note that the year 1959-60 registered an improvement over the previous year. I want to assure the House that there is no sense of complacency in this vital issue. There is constant awareness in the Railway Board of the importance of the problem. The Railway Administrations are also fully conscious of their responsibilities in the matter of sustained education and training of staff, so as to instil "safety consciousness" in them. As in the past, many of the accidents in 1959-60 were due to human failure. Having regard to the size of the Railways, the present tempo of work and the large number of staff employed, it will be appreciated that there can be no ready solution. With prompt deterrent measures, as well as incentives in the way of rewards, where justified, I hope that railway staff at all levels will put themselves out even more than hitherto, in this important aspect of avoiding accidents to the utmost extent possible. I appeal once again for the continued co-operation of members of the Public also in the matter.

The maximum amount of compensation payable to passengers in case of accidents is limited at present to rupees ten thousand in respect of one individual under the Indian Railways Act. This limit was fixed in the year 1943. Since then, there has been an appreciable increase in the cost of living and in the *per capita* income. I have been feeling, therefore, that a time has come when an increase in the ceiling limit, from Rs. 10,000 to Rs. 20,000, might be justified. Necessary legislation for this purpose is expected to be put through shortly.

Ticketless Travel

59. I have made repeated references in the House to the menace of ticketless travel. This evil, according to the indication of a sample analysis made by the Central Organisation under the Railway Board, has not shown any appreciable decline. I can only appeal to the Honourable Members and to the public again, for sustained and active co-operation in combating and eradicating this social evil.

Claims

60. There has been some real improvement in the incidence of new claims, while the number of outstanding claims has also been brought down. This reflects the achievement of the Claims Prevention Organisation working under a Senior Scale Officer on each Railway. The number *of* new claims in 1959-60 was 4,38,986, against 4,64,071 in 1958-59. The amount of compensation claims, however, is still high,

being of the order of Rs. 4 crores a year. Railways have been asked to make continuous detailed examination *of* the claims position, analysing claims by commodities, causes and by locations, in order to determine and enforce appropriate remedial measures. The matter will receive even greater attention than hitherto with the assumption by the Railways of "Common Carrier Liability".

Catering

61. Departmental catering, which has been extended to cover progressively increasing number of stations and trains during the course of the year, continues to be generally well received. Measures taken to improve the financial results of the working *of* the department. have met with some success. The net deficit was reduced from Rs. 11 lakhs in 1958-59 to about Rs. 4 lakhs in 1959-60. The anticipated deficit in 1960-61 is also about Rs. 4 lakhs. Further improvements in all aspects *of* the working of departmental catering, which provides a basic amenity for the travelling public, will continue to receive attention.

Non-official Consultative Committees

62. Once again I must acknowledge the valuable assistance received by the Railway Administrations from the various Non-official Committees, namely, the Railway Users' Consultative Committees, TimeTable Committees, Suburban Railway Users' Committees, Passenger Amenities Committees, Catering Supervisory Committees, Book-stall Advisory Committees and Station Consultative Committees. The assistance of these Committees has contributed towards the progressive improvement of the railways' services to their users.

During the year, we had two more meetings of the Zonal Parliamentary Committees. I take this opportunity of thanking the Honourable Members represented on these Committees for the interest they evinced and the useful and constructive suggestions that they made in regard to matters of interest to the public in the working of the individual Railways. I have no doubt that the functioning of these Committees will lead to increasing understanding of the problems and achievements of the Railways on the one hand and of the genuine needs of the public on the other.

Eradication of Corruption

63. The problem of corruption continues to be tackled resolutely. 1,598 cases were finalised in 1959-60, resulting in disciplinary action in 1,292 cases. Three private firms were black-listed for committing various irregularities. The Vigilance Organisation has focussed special attention on plugging certain sources of leakage of revenue by arranging surprise checks and raids. Large stations, goods sheds, third class booking counters, and reservation offices have been kept underunobtrusive. watch by the Vigilance staff.

An encouraging feature, to which I must again make a special reference, is the progressively increasing measure of assistance and cooperation that responsible men in public-life, including the Honourable Members of Parliament, have been extending to us in our, endeavour to root out this evil.

Railway Protection Force

64. The problem of security and safe travel on the Railways has, received sustained attention in close liaison with the State Police; asrepresented by the Government Railway Police, who have the primary responsibility to maintain law and order in railway premises and in running trains.

Conductors and Travelling Ticket Examiners have been instructed to specially check the Upper Class and Ladies' compartments, to seeamongst other things that the safety fittings are in proper working order. Railways have also been directed to provide push button arrangement under the Alarm Chain in Ladies' Compartments of select ed mail and, express trains. A horn is also provided, in the adjacent Men's compartment, to draw the attention of the occupants when help is needed. I made reference to the experimental stage of the fittings in my last Budget Speech.

65. The loss of public and railway property is still causing serious concern. The aggregate value of such losses reported in 1959-60 was about Rs. 56 lakhs, which was only slightly lower than the value of-losses, reported in 1958-59. The Railway Protection Force have increasing responsibilities in this matter. It is a matter of some satisfaction that the overall crime position showed improvement, in that the *number* of cases of theft decreased from 95,692 in 1958-59 to 74,434 in 1959-60. Special schemes were introduced at certain important stations, to arrange joint checking of consignments by the RailwayProtection Force and commercial staff. Various lacunae leading to claims were brought to light, and remedial measures as necessary have been adopted. For better protection during night, provision of spot-lights in a few goods

trains has been made, to facilitate locating of persons committing running train thefts. Experiments are in hand to provide electronic metal detectors at the gates of railway, stores depots and workshops, to check any surreptitious removal of valuable material from these places. The Railway Protection Force did commendable work in helping the Assam Police during the disturbances in Assam, by providing escorts to passengers and guarding station buildings and railway staff colonies.

66. A beginning has been made, by way of setting up a small cell in the Intelligence Bureau of certain Railways to study cases of tampering with railway track, etc. A . Central Crime Bureau has also been set up in the Railway Board's Office, for scientific study of inter-State and, inter-Railway crime and criminals.

67. The Public. Co-operation Committee, to which a reference was made in my last Budget Speech, held another meeting during the year. They discussed the suggestions received from the various Passenger Associations and Chambers of Commerce. The final report of the Committee will be available shortly, and implementation of their recommendations will be taken up thereafter as found necessary.

68. Continued stress is laid on adequate training of the Railway Protection Force personnel. Inspectors and Sub-Inspectors of the Force on certain Railways were given practical training of Police work in co-ordination with the State Governments. The members of the Railway Fire Service continued to receive training in special courses organised by the Ministry of Home Affairs. To educate the Railway, Protection Force trainees as well as the public, a documentary film in several regional languages was released. This depicted the difficulties that fhe Force has to contend with, in tackling crime on Railways, and solicited the co-operation of the public in combating crime.

Hindi

69. I must briefly review what we have been doing in the matter of gradual introduction of Hindi on Railways. Replies to letters in Hindi received by the Railway Board and by the Railways' headquarters are sent in Hindi. Progressively this is being extended to Divisional and District Offices. Apart from taking in hand the translation of Railway Codes, Tariff and Manuals, circulars from the Railway Board are issued in Hindi along with English. Newsletters, miscellaneous pamphlets and important circulars of Railways, particularly those of interest to Class IV staff, are also published by a number of Railways both in Hindi and in the regional languages. The Accident Manuals, Subsidiary Rules, etc., are being translated likewise. Some 18 EnglishHindi composite forms pertaining to the Commercial Branch have so far been sent to the Railways for adoption. A pamphlet containing English-Hindi equivalent terms in use in the Traffic Department has been supplied to the Railways; the standardisation of terms for the Civil and Mechanical Engineering Departments is in hand. Corresponding to the All-railway magazine "Indian Railways", we are now issuing "Bharatiya Rail" in Hindi since August, 1960.

70. Hindi classes are run at Railway as well as Divisional and District Headquarters and at other places where there are large concentrations of staff. The services of the Rashtrabasha Prachar Samiti, Wardha, and Dakshin Bharat Hindi Prachar Sabha are also being availed of. Staff in railway training institutions, who undergo courses in training exceeding one month, are generally required to pass a simple test in Hindi, for which they are provided facilities. Cash awards are also given to candidates displaying marked excellence in the Hindi Examinations.

Staff amenities and Staff Welfare--Traiidng-Awards for good work

71. Railways have been pursuing a policy of progressively improving both the working and living conditions of staff and providing them basic amenities to the maximum extent possible within the available resources. The Railways will have spent about Rs. 50 crores in this direction during the Second Plan period.

There has been a progressive expansion of medical facilities. The number of Railway hospitals increased from 70 in April 1959 to 74 in April 1960 and the number of dispensaries and health units from 448 to 478. The total number of beds, including T.B. beds, increased during the same period from 4,404 to 5,164. The number of T.B. beds taken separately went up from 1,066 to 1,356. Out of these 1,356 beds, 323 are in Railway Hospitals and Chest Clinics and 1,033 in outside sanatoria. Mobile dispensaries are increasingly catering to the staff at wayside stations. A further facility has been given to staff, in cases where they make their own arrangements for other than reserved beds in approved T.B. institutions. In such cases, the usual procedure of requiring employees to submit formal claims for reimbursement, after incurrence of the expenditure, has been dispensed with. Instead, the payments of the monthly bills for sanatoria charges will be made direct to the sanatorium authorities. Railways also provide, through staff benefit fund, financial assistance of about Rs. 50 per month in deserving cases to the families of employees suffering from T.B. and undergoing sanatoria treatment.

72. Family planning centres have been set up at various places, and steps taken to popularise family planning among railwaymen. A beginning has been made in the matter of encouraging railway employees to donate blood to the blood banks attached to the Railway Hospitals. For this, financial remuneration and special leave have been permitted. The scheme of attaching honorary consultants and specialists to the principal Railway Hospitals has proved to be very useful, and is being extended gradually to the divisional and district hospitals. It has also been decided to supply, free of charge, artificial limbs to railway employees injured on duty, in addition to the compensation admissible to them under the existing rules and the hospital charges, payable from Railway Revenues.

73. During the first four years of the Second Plan, about 47,000 additional quarters for staff were constructed. Some 10,000 more quarters are expected to be added during the current year and about the same number during the first year of the Third Plan.

74. The single-teacher primary schools for the children ahd wards of railway employees, to which I made reference in my Budget Speech last year, have proved very popular. 120 out of 481 such schools are proposed to be converted, from the next academic year, to two-teacher type schools. This will increase the capacity of each such school from 50 to 100. In addition, 70 more single-teacher schools are proposed to be opened from the next school year.

75. Standard uniforms made in Khadi have been prescribed for supply, free of cost, to all the children of railwaymen drawing a pay upto Rs. 225, who are studying in railway primary schools. In a number of schools, the standardised khadi uniforms have already been supplied. Arrangements are in hand to cover the remaining schools.

76. In my Budget Speech last year I referred to my decision to allow full remission of fees in primary classes to children of railway employees in all railway schools where the medium of instruction is an Indian language. This has also been extended to children of railway employees whose language is English and who study in English-medium schools.

The House will be interested to hear of the efforts made by railwaymen themselves to open and run schools in railway colonies. There are as many as 194 such schools, in different parts of the country, catering to about 45,000 children. Most of these schools are housed in railway buildings, or are situated in railway land on lease at nominal rates.

77. The scheme of subsidised hostels for children and wards of railway employees has proved very popular. There has been a pro .gressive increase in the number of children staying in such hostels.

78. There are now 15 holiday homes on all the Railways. The holiday home at Pahalgam, a mention of which was made in my Budget Speech last year, proved to be very popular as expected, and was utilised to its full capacity.

79. The *per capita* contribution to the Staff Benefit Fund was raised from Rs. 2 to Rs. 4 from 1st April 1958. To enable some of the objectives of the Fund being fulfilled in a greater measure, and morn particularly to provide increased relief to the familiesof T.B. patients and to promote sports activities, the *per capita* contribution to the Fund has been further raised to Rs. 4.50 from 1st April 1960.

The scheme of awarding 1,000 scholarships each year, from the Staff Benefit Fund, to the children of railway employees, for the prosecution of education in Science and technical subjects, has been in force now for five years. This has been widely appreciated and availed of by the staff. The total number of scholarships at present, including scholarships carried over from previous years, is about 2,500; these involve an expenditure of Rs. 8 lakhs per annum.

During the current year, an *ad hoc* grant of Rs. 40,000 was sanctioned from railway revenues to the Staff Benefit Funds of Railway Administrations, to enable them to purchase 200 sewing machines for handicraft centres set up in railway colonies. At these centres, women members of railwaymen's families are taught handicrafts, such as, weaving, spinning, knitting, butting, tailoring etc., during their spare time. The centres are functioning satisfactorily and are becoming increasingly popular.

80. I am happy to mention that the work of refixation of initial pay of the employees in the revised scales and payment of arrears due from 1st July, 1959, in implementation of the recommendations of the Pay Commission, is nearing completion. We expect to make all arrear payments by the end of next month.

The acceptance of the Commission's major recommendations regarding pay and allowances will increase the *per capita* monthly emoluments of over a million employees by Rs. 7 on the average. The retirement benefits will also substantially increase.

In view of the liberalisation of the rules regarding pensionary benefits, another opportunity has been afforded to employees to exercise a further option, for either the Provident Fund retirement benefits or the pensionary scheme, upto 31st March, 1961.

81. The upkeep and improvement of facilities for the initial training of recruits and for refresher and promotion courses to serving employees continue to receive attention. I informed the House last year that a Railway Technical Training Schools Committee had been set up, consisting of two retired General Managers, to review the facilities available in Railway Training Schools and recommend measures for standardising the curriculum and improving the standards of training. The Committee was asked later to survey and report on the facilities available for training gazetted officers also. The Committee's report is expected shortly.

In order to improve discipline and physical fitness in the Railway personnel, physical training has now been introduced as a daily item of syllabus of training in all the railway training schools. This training also includes weapon. training in certain cases.

"In-plant training" facilities continue to be provided to nominees of other Central Government Departments, State Governments and semiGovernment bodies. Details of a scheme for training educated unemployed as trade apprentices in railway installations, on behalf of the Ministry of Labour and Employment, are also being formulated.

82. For displaying exceptional merit in the performance of duties, individual or collective awards in cash or other forms are being given to individuals and groups of employees. During the year 1959-60, a sum of about Rs. 12,000 was given as rewards to individuals who had made useful inventions and suggestions. Awards in the form of extra sets of passes, shields, and collective cashi awards to be utilised in schemes of welfare, have also been given. These cover awards for cleanliness in the upkeep of station premises, outstanding performance in marshalling yards and transhipment points, lower incidence of accidents, improved out-turn in workshops, etc.

Co-operative Activities on Railways

83. The Co-operative movement on the Railways has continued to make steady progress. The total working capital of the 25 credit societies functioning on the Railways amounted to Rs. 26 crores on 31st March 1960. There are also some 159 Railwaymen's Consumer Co-operative Societies whose turn-over in 1959-60 was Rs. 160 lakhs.

84. A beginning has been made to encourage the formation of cooperative societies of workers for undertaking labour contracts for handling goods, parcels, coal . transhipment etc. 12 such societies have been entrusted with railway contracts of a total value of approximately Rs. 10 lakhs per annum at 18 stations. More and more of such. societies are coming forward for undertaking such contracts.

In the matter of execution of engineering works also, Labour Cooperatives are being encouraged. One such Co-operative consisting of masons, formed recently at Bhusaval; is being awarded a contract for, the construction of 7 units of quarters. The bricks required for these will be supplied by the Maharashtra State Government's Small-scaleIndustries Organisation.

A beginning had been made some 3 or 4 years ago by different railways in the matter of awarding small contracts for annual repairs and other "zone works" in certain places, as well as for small supplies of bricks, bamboo matting and stone ballast, to labour co-operatives. The earthwork in connection with the provision of a siding for thefertiliser factory at Nangal Dam was also executed satisfactorily by a Co-operative Labour and Construction Society. I would like to see: more and more of Labour Co-operatives, consisting of the workmen themselves, come forward to take up earthwork and other construction. works on the Railways.

Labour Relations

85. The industrial relations on the Railways continued to be happyy and harmonious, except for the unfortunate partial strike in July, 1960, in which the all-India Railwaymen's Federation and its affiliated unions; took active part in common with some other Unions of Central Gov ernment employees. The strike

resulted in a loss of about 8.5 lakhs, man-days, and caused a good deal of set-back in railway operation.

86. We have been taking steps to enlist the co-operation of the staff' in many spheres, to inspire in them a sense of common endeavour. With this end in view, the Railways have set up 350 Joint Committees at various levels, through which the railwaymen can make suggestions for improving efficiency, effecting economies, ensuring safety of travelling public and providing amenities for passengers, etc. It is too early yet to assess the performance of these Committees.

Recreational and Cultural Activities

87. The Railwaymen have continued to distinguish themselves in a number of national events in Sports and Athletics. The Indian Contingent of some 80 persons, which participated in the Olympic Games in Rome some months ago, included 15 railwaymen.

As in previous years, the Railway Week celebrations in April 1960 provided a good opportunity to railwaymen and their Families to give expression to their talents in the fields of art, drama, music etc. Cultural programmes were organised at several centres. Handicrafts and fine arts exhibitions were held as usual at Delhi and a number of zonal and divisional headquarters. Suitable prizes and awards were given for the best entries. These recreational and cultural activities have fostered, amongst the large and country-wide family of railwaymen, increasing enthusiasm and pride of achievement-qualities so essential in tackling the heavy responsibilities laid on the Railways.

Conclusion

88. With the Second Five Year Plan reaching the end and the Third Plan about to start, it is a special occasion for me to pay a tribute to railwaymen of all ranks who have borne, and borne with such a large measure of success, the impact of the Five Year Plans. Drawbacks and shortcomings there have been, and I am even more conscious of them than anyone else. But there is no doubt that it is due to the hard work of the Railwaymen that the Railways have been able to contribute to a significant extent to the development and prosperity of the country, and I am sure the House will join me in congratulating them. A great national organisation like the Railways can be run only with the fullest co-operation and goodwill of all. I feel confident that, as the Railways take up the still greater tasks ahead, I can count on the strength, determination and sense of patriotism of railwaymen and on the continued goodwill of the members of the Parliament, the State Governments and the people.

Permit me, Sir, to thank you and the House for the patient hearing given to me.

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